



Acquisition Domain: Leading Transformation

2004 DoD Procurement Conference

26 May 2004

Mark E. Krzysko

*Deputy Director, Defense Procurement & Acquisition Policy
Electronic Business
Office of the Under Secretary of Defense for
Acquisition, Technology and Logistics*



Acquisition Domain: Strategic Direction

- ▶ **Govern acquisition and procurement solutions through DoD**
- ▶ **Transform the way we do business**
- ▶ **Deploy approved acquisition and procurement solutions**



DoD investing \$230M for 123 procurement systems annually



Acquisition Domain: Vision & Mission

Department of Defense

The mission of the Department of Defense is to provide the military forces needed to deter war and to protect the security of our country

Acquisition, Technology & Logistics Goals

- Acquisition Excellence with Integrity
- Logistics: Integrated and Efficient
- Systems Integration & Engineering for Mission
- Technology Dominance
- Resources Rationalized
- Industrial Base Strengthened
- Motivated, Agile Workforce

DoD Business Management Modernization Program

The Department of Defense will be managed in an efficient, business-like manner in which relevant, reliable and timely management information is available on a routine basis to support informed decision-making at all levels throughout the Department.

Acquisition Domain

Vision:

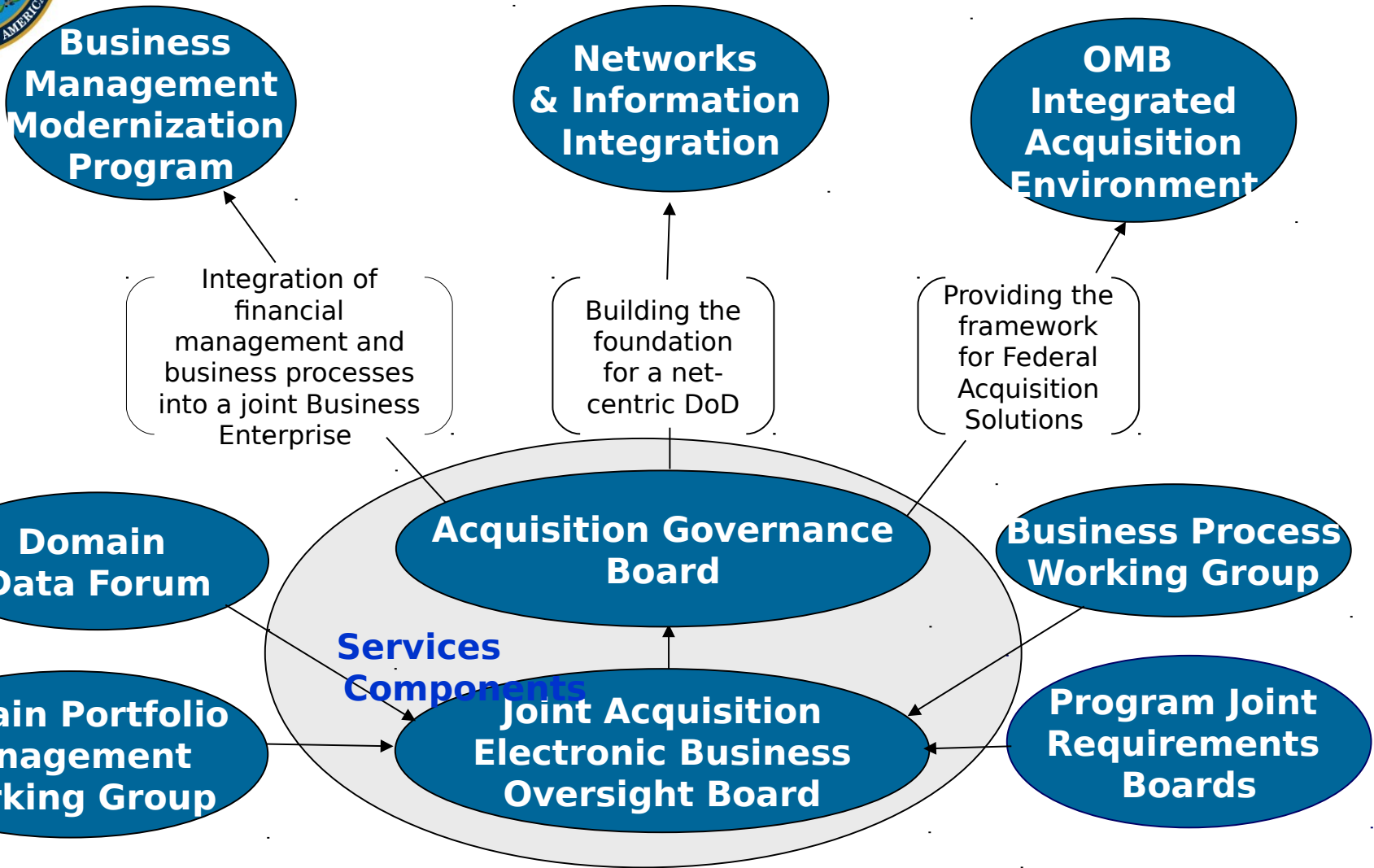
An innovative and strategic Acquisition enterprise focused on efficient and cost-effective delivery of the best possible capabilities that enable the Warfighter to succeed.

Mission:

Lead the transformation to strategic acquisition by integrating the people, processes and technologies required to implement a modern acquisition environment



Acquisition Domain: Governance





Acquisition Domain: Transforming the Way We Do Business

Acquisition Domain Strategic Goals & Objectives

- 1) **Modernize DoD Acquisition business processes and systems**
- 2) **Enable data interoperability throughout the Acquisition enterprise**
- 3) **Manage the acquisition IT portfolio**
- 4) **Govern Acquisition at the enterprise level**
- 5) **Create a collaborative and efficient Acquisition enterprise**
- 6) **Train, recruit, and retain a motivated, agile, and knowledgeable Acquisition workforce**

Acquisition Domain Transformation

PAST	FUTURE
▶ Transaction-oriented	▶ Strategic, enterprise approach
▶ Isolated workers	▶ Knowledge-based, collaborative workers
▶ Local information	▶ Shared business intelligence
▶ “Silos” of data	▶ Integration with Logistics, Finance & other Communities
▶ No Common Architecture	▶ Enterprise Architecture
▶ Stand alone applications that lack interoperability	▶ Net-centric, interoperable applications
▶ Redundant systems; capability gaps	▶ Rationalized systems
▶ Tactical utility to individual programs	▶ Strategic value to the Department
▶ Long cycle times and transaction costs	▶ Decreased cycles times and transaction



Acquisition Domain: Managing for a Future Procurement Environment

- ▶ Transform procurement professionals to “business brokers”
- ▶ Establish strategic sourcing relationships
- ▶ Improve integration of acquisition & procurement information
- ▶ Manage supplier relationships
- ▶ Align DoD processes and systems with Industry
- ▶ Control funds management
- ▶ Enable clean audit opinion





Acquisition Domain: Procurement Solutions

Federal - Integrated Acquisition Environment (IAE)

FEDERAL SOLUTIONS

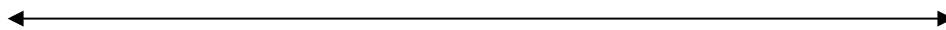
Federal Business Opportunities (FedBizOpps)	Federal Technical Data Solution (FedTeDS)	Central Contractor Registration (CCR)	Online Representations and Certifications Application (ORCA)	Past Performance Information Retrieval System (PPIRS)	Federal Procurement Data System - Next Generation (FPDS-NG)
Inter-Agency Contracts Directory (ICD)	Federal Agency Registration (FedReg)	Intragovernmental Transaction Exchange (IGTE)	Wage Determinations Online (WDOL)	Excluded Parties Listing System (EPLS)	Electronic Subcontractor Reporting System (eSRS)

Department of Defense (DoD)

DOD SOLUTIONS

Standard Procurement System (SPS)	Wide Area Workflow (WAWF)	Acquisition Spend Analysis Pilot (ASAP)	Electronic Document Access (EDA)	DoD EMALL	Business Systems Modernization (BSM)
-----------------------------------	---------------------------	-----------------------------------------	----------------------------------	-----------	--------------------------------------

Logistics Systems



Financial Systems



Acquisition Domain: Standard Procurement System

Joint, automated contracting system that standardizes procurement processes across DoD... used by all Military Services and 13 Defense Agencies

► Current:

- **23,000 users**
- **800 locations, 50 states, 15 countries**
- **\$48B in goods/services procured through SPS through 681,037 actions (FY03)**
- **21 users, \$30.5M in purchases in Kabul, Afghanistan through 597 contracts (Nov-Apr)**

► Future:

- **Target deployment V4.2.3 in FY06**
 - **Web-based**
 - **Move from standard forms to formless contracting**
- **44,000 users**



Focus: Deploy v4.2.2 in



Acquisition Domain: Wide Area Workflow (WAWF)

Enables electronic processing of invoices and receiving reports to increase accurate document processing for financial, logistics and procurement communities

► Current:

- **Q2 FY04: Processed over 138,000 invoices and receiving reports accounting for over \$5.5B in payments for all Services**
- **Web based**
- **Uses PKI technology for secure identification**
- **Capture Unique Identifiers (UIDs)**

► Future:

- **Single point of entry for invoices and receiving reports**



Focus: Process 51% of transactions in WAWF in FY05



Acquisition Domain: Federal eGov Integrated Acquisition Environment (IAE) Programs

A portfolio of programs that focus on common Federal procurement processes

- ▶ **Federal Procurement Data System - Next Generation (FPDS-NG)**

- Single collection point for all Government contract information
- Goal: Process contract data directly to FPDS-NG

- ▶ **On-line Representations and Certifications Application (ORCA)**

- Provides the ability to update & post Section K provisions
- Goal: Access representations and certifications at single web location

- ▶ **Intra-governmental Transactions Exchange (IGTE)**

- Processing of all Intra-governmental acquisition activities
- Goal: Pilot transmission of IGT information through SPS

- ▶ **Federal Technical Data Solutions (FedTeDS)**

- Enables the distribution and dissemination of Sensitive But Unclassified (SBU) acquisition material
- Goal: Post sensitive procurement related information to central web location

Focus: Deployment and Use of IAE



Acquisition Domain: Spend Analysis Pilot

Spend Analysis Pilot will demonstrate the ability to gather contract information from contract writing systems to support strategic sourcing decisions

► **Current:**

- **Spend Analysis team composed of all DoD Components, led by the Army**
- **Incorporating net-centric spend analysis capability scalable across DoD**

► **Future:**

- **Demonstrate data integration across DoD**
- **Increase amount of information used to support DoD-Wide Services Sourcing Program**
- **Provide procurement professionals insight to analyze spend information**



Focus: Demonstration of Pilot Capability 1 Oct 04



Acquisition Domain: Sourcing Analysis of Alternatives (AOA)

Acquisition Domain is planning for the future sourcing environment by conducting a Sourcing Analysis of Alternatives

► Current:

- All Components are participating in the AOA process, led by Air Force
- Initiated AOA in November 2003
- Initial Capabilities Document finalized 14 May 2005
- Request for Information published 4 May 2005

► Future:

- Provide the functionality to support strategic sourcing capabilities



Focus: Identify sourcing capabilities and analysis by



Acquisition Domain: Your Leadership Role

- ▶ **Deploy and use SPS v4.2.2**
- ▶ **Process invoices and receiving reports in WAWF to meet 51% of transactions by FY05**
- ▶ **Participate and support AOA**
- ▶ **Deploy federal IAE solutions**
- ▶ **Update Inter-Agency Contract Directory (ICD)**
- ▶ **Begin transition from procurement professionals to “business brokers”**
- ▶ **Eliminate redundant systems**



“Our ultimate responsibility is to enable the



www.acq.osd.mil/dpap/ebiz/